

# Wealth Markets and Commerce

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## Current Market Review

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## Yukon Gold Company

Cuts Its Dividend  
In accordance with the recommendation of William A. Loeb, Jr., president of the Yukon Gold Company, in the recent annual report directors yesterday declared a dividend of 2 1/2 cents a share, compared with the previous quarterly disbursements of 1 1/2 cents.

In the company's report Mr. Loeb pressed the cutting of the dividend until the notes issued to the Yukon Alaska Trust, the holding corporation, were paid off.

In the New Street market calls on Baldwin Locomotive were quoted points away from the market. Bulls on the shares claim that the recent annual report should not be construed unfavorably, as it indicated that a large amount of water had been written out of the capitalization. Baldwin closed yesterday at 7 1/2, up 1 1/2 points.

## Nippon's Spindles Busy

A survey made by the Spinning Association of Japan shows that at the end of December last there were forty spinning companies, with a total of 2,050,000 spindles, operating on the island. The mills have agreed to curtail their output by 10 per cent for the six months beginning January 1.

## Finance - Economics

WALL STREET OFFICE:  
Mills Building, 15 Broad St.

Telephone:  
Hanover 6514

In an interesting review of the banking position the Guaranty Trust Company concludes that our banking structure is still solid, and that therefore there has been no credit inflation, but merely "expansion of credit based upon sound foundations." Undoubtedly it is true that up to the present the expansion of credit has not been in such degree as to impair the solvency of our banks; but that alone does not warrant the conclusion that there has been no credit inflation. Bank credit is the currency on which most business transactions are based, and when the supply increases faster than the turnover of business the effects are little different from those which would be produced by issuing so much currency. Statistics indicate plainly enough that the supply of bank credits has expanded faster than production, and that is the chief reason for the extraordinary spiral of higher wages and higher prices which now is one of the most difficult problems we have to meet.

The Peoples National Bank, of Pittsburgh, observing the "coincidence" of record commodity prices and currency expansion, accompanied by labor unrest at a time when labor is receiving the highest wages ever paid, "because wages depreciated in buying power under inflation," has this to say about the inflationary measure now being debated in Congress:

"The War Finance Corporation bill carries authority for an issue of \$4,000,000,000 new obligations, a large percentage of which would be available for rediscount, thereby carrying the possibility for a large addition to our already record-breaking per capita money circulation. The Federal Reserve system was designed to provide facilities for meeting emergencies (the value of which was demonstrated by our Liberty loans) which the War Finance Corporation would greatly expand. If such tremendous emergency confronted the nation as to warrant the potential expansion of the proposed law as originally drafted, no objection would be interposed; it would be a choice between dangers. But in the absence of convincing evidence of immediate or impending need it would seem that the country can rely upon the existing wisely restricted facilities of the Federal Reserve system."

Reports of eight of the leading copper producers for February give combined production in round figures at 63,000,000 pounds, which was a decrease of 5,000,000 pounds, compared with the corresponding month last year. Considering the extraordinary labor, weather and transportation difficulties that hampered the producers during the month, this is a very good showing. The statistics are encouraging, but unfortunately they do not cover the whole industry, and reports indicate that many of the smaller producers, operating at greater expense per unit of production, have been compelled to curtail output, as rising prices of labor and materials reduced the margin between costs and the selling price of 23 1/2 cents a pound fixed by the government. Obviously this country and its allies require all the copper that can be produced, and if 23 1/2 cents is not sufficient to induce the maximum output, then the price should be increased. This is especially true, because the refiners, complaining of high costs, propose to raise the charge for refining, whether justly or not we do not pretend to say. Therefore, if the current reports that production has been curtailed because the fixed price is too low—and the authorities no doubt know the facts—are true it is to be hoped that a liberal attitude toward producers will be taken when the question of upward revision of the price comes up for decision before them, as it will before long.

## Money and Credit

Call money rates on the Stock Exchange yesterday pursued a course similar to that followed the previous day. Opening at 5 per cent, with that the ruling rate, demand loans dropped at the close to 4 1/2 per cent. Loans were less in demand as a result of the falling off in stock sales.

Institutions continue reluctant to put out any new money on time. Borrowers are still offering 6 per cent on both mixed and industrial collateral for all periods, with no response from lenders. Ruling rates for money yesterday, compared with a year ago, are as follows:

	Yesterday	Year ago
Call money.....	5%	2 1/4%
Time money (mixed collateral):		
Sixty days.....	6%	3 3/4%
Ninety days.....	6%	3 3/4%
Four months.....	6%	4 1/4%
Five to six months.....	6%	4 1/4%

Acceptance Rate Increased.—The Federal Reserve Bank has increased the

rate at which it will purchase bankers' acceptances in the open market from 4 to 4 1/4 per cent.

Commercial Paper.—The market for commercial paper continues firm and quiet. With few exceptions, there has been no change from the 5 per cent discount rate.

Discount Rates.—Official rates of discount for each of the twelve Federal districts are as follows:

	Days	Over 15	Over 15	Over 15	Over 15
Boston.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
New York.....	3 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Philadelphia.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Cleveland.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Richmond.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Atlanta.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Chicago.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
St. Louis.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Minneapolis.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Dallas.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
San Francisco.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2

Bank Clearings.—The day's bank clearings at New York and other cities were:

	Exchanges	Balances
New York.....	\$644,363,214	\$4,706,884
Boston.....	\$3,341,188	\$5,092,310
Philadelphia.....	\$4,728,752	\$4,765,204
St. Louis.....	\$2,819,339	\$4,528,489

Silver.—Bars in London were quoted at 24 1/2, unchanged; New York, 85 1/2, unchanged; Mexican dollars, 68c, unchanged.

Sub-Treasury.—The banks lost \$178,000 to the Sub-Treasury yesterday.

## The Dollar in Foreign Exchange

The downward movement in Italian exchange was checked yesterday, and lire cables, after selling as low as 8 1/2, rallied to 8 3/4, shortly after noon. Lire checks were quoted at 8 1/2 at the close. Demand sterling made a small advance and pence showed greater strength.

Closing rates yesterday, compared with a week ago, are given in the table below. American bankers have suspended all dealings in German and Austrian exchange, so that daily quotations for either marks or kronen are no longer available.

(Quoted dollars to the pound.)

	Yesterday	Week ago
Sterling, demand.....	\$4.75 1/2	\$4.75 1/2
Sterling, sixty days.....	4.72	4.71 1/2
Sterling, cables.....	4.76 1/2	4.76 1/2
Sterling, ninety days.....	4.70	4.69 1/2

(Quoted units to the dollar.)

	Yesterday	Week ago
France, demand.....	5.72 1/2	5.72 1/2
France, cables.....	5.70 1/2	5.70 1/2
France, ninety days.....	5.71 1/2	5.71 1/2
Swiss, cables.....	8.90	8.75
Swiss, checks.....	4.48	8.50 1/2
Swiss, ninety days.....	4.46 1/2	8.48

(Quoted cents to the unit.)

	Yesterday	Week ago
Guider, checks.....	44 1/2	43 1/2
Guider, cables.....	45	44 1/2
Rubles, cables.....	13.25	13.25
Stockholm, kr., chks.....	31.50	32.50
Copenhagen, kr., chks.....	30.00	30.25
Oslo, chks.....	24.30	24.25

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

	Current	Intrinsic
Pounds, sterling.....	\$4.75 1/2	\$4.86 1/2
France.....	0.17 1/4	0.19 1/2
Guider.....	0.24	0.20 1/2
Rubles.....	0.13 1/2	0.51 1/2
Swiss, checks.....	0.11 1/2	0.21 1/2
Crowns (Denmark).....	0.30	0.26 1/2
Crowns (Sweden).....	0.31 1/2	0.26 1/2

## Bank Acceptance

Rate Increased

The increase in the rate from 4 to 4 1/4 per cent, at which the Federal Reserve Bank will purchase bankers' acceptances, advances the cost to borrowers of the \$100,000,000 Cuban sugar credit to 8 1/4 per cent, according to the terms under which the credit was arranged. It was stated in the syndicate agreement that the rate at which the Cuban sugar growers' notes would be discounted would be 1 per cent in excess of the Reserve Bank acceptance rate, in addition to which the syndicate would receive a commission equivalent to 3/4 of 1 per cent for each ninety-day renewal.

## Rock Island Surplus Lower

Gross Earnings Increased

\$8,719,593 in 1917

The income account of the Chicago, Rock Island & Pacific Railway Company for the calendar year 1917, made public yesterday, showed a surplus after all charges of \$7,527,145, compared with \$8,078,189 the preceding year.

Gross earnings were \$89,688,722, an increase of \$8,719,593, and operating income totaled \$19,193,748. To this was added \$1,229,195 of other income, bringing the total up to \$20,622,943, compared with \$25,328,684 in 1916. Operating expenses jumped from \$55,866,787 to \$70,415,674.

## Significant Relations

Money and Prices:

Stock of money gold in the country.

	Now	Year ago
Dec. 31, 1917.....	\$3,041,643,270	\$2,968,355,434
Dec. 31, 1916.....	\$9,390,836,000	\$8,340,626,000

Loans of all national banks.....

	Now	Year ago
Dec. 31, 1917.....	\$801,738,000	\$132,898,000
Dec. 31, 1916.....	\$1,351,091,000	\$134,558,000
Dec. 31, 1915.....	\$1,777,329,000	\$836,122,000

Bills discounted and bought by Federal Reserve Banks.....

	Now	Year ago
Dec. 31, 1917.....	75.40	75.02
Dec. 31, 1916.....	85.50	85.57
Dec. 31, 1915.....	286.88	231.59
Dec. 31, 1914.....	227.02	222.17

Federal Reserve notes in circulation.....

	Now	Year ago
Dec. 31, 1917.....	77,799	92,997
Dec. 31, 1916.....	191,772	101,643

Total gold reserve.....

	Now	Year ago
Dec. 31, 1917.....	650,828,000	636,318,000
Dec. 31, 1916.....	3,159,494,000	2,586,927,000
Dec. 31, 1915.....	1,587,294,000	1,251,837,000
Dec. 31, 1914.....	10,949,000	11,449,930

Average price of fifty stocks.....

	Now	Year ago
Dec. 31, 1917.....	75.40	75.02
Dec. 31, 1916.....	85.50	85.57
Dec. 31, 1915.....	286.88	231.59
Dec. 31, 1914.....	227.02	222.17

Average price of twenty-five bonds.....

	Now	Year ago
Dec. 31, 1917.....	75.40	75.02
Dec. 31, 1916.....	85.50	85.57
Dec. 31, 1915.....	286.88	231.59
Dec. 31, 1914.....	227.02	222.17

Fond cost of living (Annalist index number).....

	Now	Year ago
Dec. 31, 1917.....	75.40	75.02
Dec. 31, 1916.....	85.50	85.57
Dec. 31, 1915.....	286.88	231.59
Dec. 31, 1914.....	227.02	222.17

General commodity price level (Dun's index number).....

	Now	Year ago
Dec. 31, 1917.....	75.40	75.02
Dec. 31, 1916.....	85.50	85.57
Dec. 31, 1915.....	286.88	231.59
Dec. 31, 1914.....	227.02	222.17

Production:

	Now	Year ago
Dec. 31, 1917.....	75.40	75.02
Dec. 31, 1916.....	85.50	85.57
Dec. 31, 1915.....	286.88	231.59
Dec. 31, 1914.....	227.02	222.17

Unfilled U. S. Steel orders, tons.....

	Now	Year ago
Dec. 31, 1917.....	9,477,853	9,381,718
Dec. 31, 1916.....	77,799	92,997
Dec. 31, 1915.....	191,772	101,643

Pig iron (daily average), tons.....

	Now	Year ago
Dec. 31, 1917.....	650,828,000	636,318,000
Dec. 31, 1916.....	3,159,494,000	2,586,927,000
Dec. 31, 1915.....	1,587,294,000	1,251,837,000
Dec. 31, 1914.....	10,949,000	11,449,930

Wheat crop, bushels.....

	Now	Year ago
Dec. 31, 1917.....	75.40	75.02
Dec. 31, 1916.....	85.50	85.57
Dec. 31, 1915.....	286.88	231.59
Dec. 31, 1914.....	227.02	222.17

Corn crop, bushels.....

	Now	Year ago
Dec. 31, 1917.....	75.40	75.02
Dec. 31, 1916.....	85.50	85.57
Dec. 31, 1915.....	286.88	231.59
Dec. 31, 1914.....	227.02	222.17

Oats crop, bushels.....

	Now	Year ago
Dec. 31, 1917.....	75.40	75.02
Dec. 31, 1916.....	85.50	85.57
Dec. 31, 1915.....	286.88	